



SPCO

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

Re: Application of:

White et al

Group No.: 2163

Serial No.: 09/821,482

Examiner: Unknown

Filed: March 29, 2001

Docket No. RECOM1100

For: **SYSTEM AND METHOD FOR EVALUATING STRATEGIC BUSINESS ALLIANCES**

CERTIFICATION UNDER 37 CFR § 1.8

I hereby certify that the documents referred to as enclosed herein are being deposited with the United States Postal Service as first class mail on this date 21 August 2001, in an envelope addressed to: Assistant Commissioner for Patents, Washington, D.C. 20231

21 August 2001 Terrance A. Meador
Date Signature

Assistant Commissioner of Patents
Washington, D.C. 20231

Sir:

TRANSMITTAL OF FORMAL DRAWINGS

Transmitted herewith are TWENTY-SIX (26) sheets of formal drawing in substitution for the photocopies of the drawing originally filed.

Respectfully submitted

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Date: 21 August 2001

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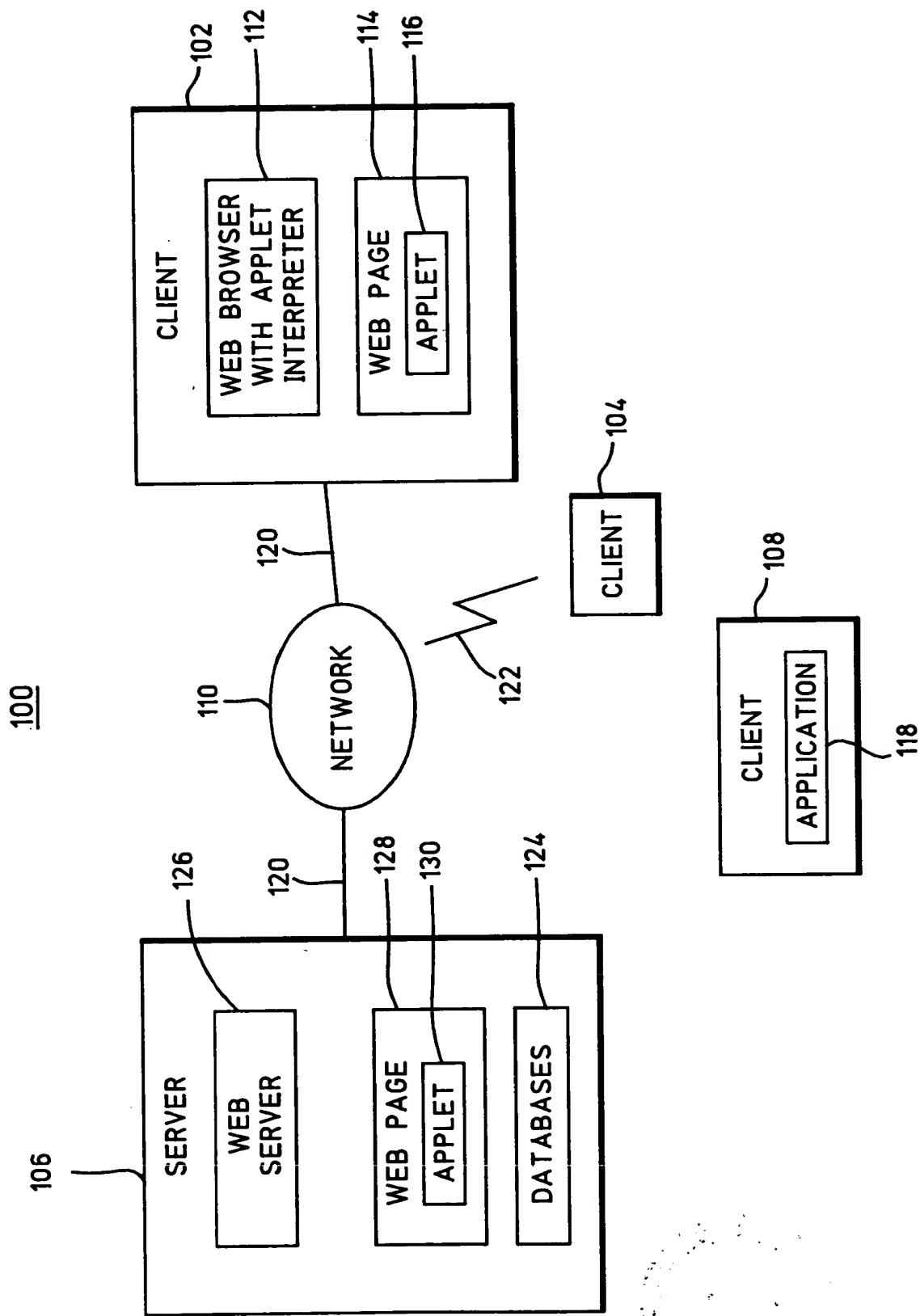


FIG. 1

132

Deal. Structure

134

Dev. Assumptions

136

Sales Assumptions

138

Run

168

Overview

Regions

☒ Research

☒ Second

☒ Third

Precommercial

☒ Guaranteed Payments

☒ Sponsored Research

☒ Milestone Payments

☒ Expense Reimbursements

Postcommercial

☒ Royalty Payments

☐ Profit Split

☐ Supply Agreement

166

140

FIG. 2

132
134
136
138

Deal Structure	Dev Assumptions	Sales Assumptions	Run
<div style="border: 1px solid black; padding: 5px; display: flex; align-items: center;"> Research Region ▼ </div>			
Research Region development Costs (\$Millions/Year)			
	Discovery	Validation	Preclinical
	IND	Filed	Phase I
	Phase II	Phase III	NDA Filed
R&D	5.250	7.350	7.350
Clinical	0.000	0.000	0.000
Sales	0.000	0.000	0.000
Manuf.	0.000	0.000	0.000
Totals	6.300	8.820	8.820
G&A Rate (%)			
	20.0		

170
172
174

142

FIG. 3

Deal Structure

Dev Assumptions

Sales Assumptions

Run

Second Region

Second Region Development Costs \$ Millions/Year

Discovery Validation

Preclinical

IND Filing

Phase I

Phase II

Phase III

NDA Filing

Totals

0.000

0.000

0.000

0.100

1.610

3.970

9.580

7.005

Regional Development Costs Relate to Research Region

R&D

Clinical

Sales

Manuf

G&A Rate

Time Offset

Multiplier

0.0

0.8

1.0

0.5

20.0

1.000

FIG. 4

132

134

136

138

146

132	134	136	138
Dist. Structure	Dev. Assumptions	Sales Assumptions	Run
<input checked="" type="radio"/> Sim. Sales Curve <input type="radio"/> Flat Sales Curve	Research Region Peak Annual Sales (\$M/Y)		
	Blockbuster	500,000 (15%)	
	Above Average	200,000 (20%)	
	Average	60,000 (30%)	
	Below Average	40,000 (25%)	
	Dog	20,000 (10%)	
2nd Region Multiplier		1,300	192
3rd Region Multiplier		1,000	194

FIG. 5

132
134
136
138

Deal Structure	Dev Assumptions	Sales Assumptions	Run
<input type="radio"/> Sim. Sales Curve	196	198	202
<input checked="" type="radio"/> Flat Sales Curve			

Odds(%) Sales(\$M/Y) Lifetime(Y) Margin(%)

✓	15.0	500,000	15,000	50.0
✓	20.0	200,000	12,000	40.0
✓	30.0	100,000	12,000	35.0
✓	20.0	50,000	10,000	25.0
✓	15.0	20,000	8,000	15.0

2nd Region Multiplier 1,300 204

3rd Region Multiplier 1,000 206

148

FIG. 6

132

134

136

138

Deal Structure	Dev Assumptions	Sales Assumptions	Run
<div>168</div> <div>Guaranteed Payments</div> <div>▽</div>			
<div>210</div> <div>Time of Receipt(Y)</div> <div>0.000</div> <div>1.000</div> <div>0.500</div> <div>1.000</div> <div>1.500</div> <div>0.000</div>			
<div>208</div> <div>Payment (Millions)</div> <div>1.000</div> <div>1.000</div> <div>1.000</div> <div>1.000</div> <div>1.000</div> <div>0.000</div>			
<div>212</div> <div>Time values are relative to the commencement of</div> <div>Phase I</div> <div>▽</div>			
<div>150</div> <div>Time values are relative to the commencement of</div> <div>Current Stage</div> <div>▽</div>			

FIG. 7

132
134
136
138

Deal Structure	Dev Assumptions	Sales Assumptions	Run
<div style="border: 1px solid black; padding: 5px; margin-bottom: 10px;"> Sponsored Research ▽ </div>			
<div style="border: 1px solid black; padding: 2px;"> Starting Time(Y) </div>	<div style="border: 1px solid black; padding: 2px;"> 0.000 </div>	<div style="border: 1px solid black; padding: 2px;"> 0.000 </div>	<div style="border: 1px solid black; padding: 2px;"> 0.000 </div>
<div style="border: 1px solid black; padding: 2px;"> Ending Time(Y) </div>	<div style="border: 1px solid black; padding: 2px;"> 3.000 </div>	<div style="border: 1px solid black; padding: 2px;"> 0.000 </div>	<div style="border: 1px solid black; padding: 2px;"> 0.000 </div>
<div style="border: 1px solid black; padding: 2px;"> Rate(\$M/Y/or#FTEs) </div>	<div style="border: 1px solid black; padding: 2px;"> 5.000 </div>	<div style="border: 1px solid black; padding: 2px;"> 0.000 </div>	<div style="border: 1px solid black; padding: 2px;"> 0.000 </div>

Time values are relative to the commencement of Target Validation ▽

Express rates as:
☒ Millions
☐ Full Time Equivalents FTE Rate (Millions/Year)

0.200

FIG. 8

132

Deal Structure

134

Dev Assumptions

136

Sales Assumptions

138

Run

168

Milestone Payments

226

224

Research Region (Millions)

Target Validation

0.000

Preclin Initiation

0.000

Clean Toxicology

0.000

IND Filed

0.000

Phase II Initiation

0.000

Phase III Initiation

0.000

NDA/PLA Filed

5.000

Approval

0.000

Second Region (Millions)

Target Validation

0.000

Preclin Initiation

0.000

Clean Toxicology

0.000

IND Filed

0.000

Phase II Initiation

0.000

Phase III Initiation

0.000

NDA/PLA Filed

5.000

Approval

0.000

Third Region (Millions)

Target Validation

0.000

Preclin Initiation

0.000

Clean Toxicology

0.000

IND Filed

0.000

Phase II Initiation

0.000

Phase III Initiation

0.000

NDA/PLA Filed

5.000

Approval

0.000

228

154

FIG. 9

132 Deal Structure		134 Dev Assumptions		136 Sales Assumptions		138 Run	
168 Expense Reimbursements ▾		232		234			
230 Research Region (Percent)		Second Region (Percent)		Third Region (Percent)			
Discovery	0.0	Discovery	0.0	Discovery	0.0		
Validation	0.0	Validation	0.0	Validation	0.0		
Preclinical	0.0	Preclinical	0.0	Preclinical	0.0		
IND Filed	0.0	IND Filed	0.0	IND Filed	0.0		
Phase I	75.0	Phase I	75.0	Phase I	75.0		
Phase II	75.0	Phase II	75.0	Phase II	75.0		
Phase III	75.0	Phase III	75.0	Phase III	75.0		
NDA Filing	0.0	NDA Filing	0.0	NDA Filing	0.0		

FIG. 10

Deal Structure

Dev Assumptions

Sales Assumptions

Run

132

134

136

138

168

Royalty Payments

240

136

238

158

R search Region

Rate(%)

7.0

Threshold(\$M)

0.000

No Threshold

☐

Cumulative Threshold

☐

Annual Threshold

☐

7.0

0.000

☐

☐

☐

0.0

0.000

☐

☐

☐

0.0

0.000

☐

☐

☐

0.0

0.000

☐

☐

☐

0.0

0.000

☐

☐

☐

Second Region

Rate(%)

7.0

Threshold(\$M)

300.000

No Threshold

☐

Cumulative Threshold

☐

Annual Threshold

☒

7.0

300.000

☐

☐

☒

10.0

0.000

☐

☐

☐

0.0

0.000

☐

☐

☐

0.0

0.000

☐

☐

☐

0.0

0.000

☐

☐

☐

Third Region

Rate(%)

6.0

Threshold(\$M)

800.000

No Threshold

☐

Cumulative Threshold

☐

Annual Threshold

☐

6.0

800.000

☐

☐

☐

8.0

1600.000

☐

☐

☐

10.0

0.000

☐

☐

☐

0.0

0.000

☐

☐

☐

0.0

0.000

☐

☐

☐

FIG. 11

Deal Structure

Dev Assumptions

Sales Assumptions

Run

Supply Agreement

Research Region

Rate(%)

30.0

☒ Net Sales Based
 ☐ CoGS Based

Second Region

Rate(%)

150.0

☒ Net Sales Based
 ☐ CoGS Based

Third Region

Rate(%)

150.0

☒ Net Sales Based
 ☐ CoGS Based

FIG. 13

132

Deal Structure

134

Dev Assumptions

136

Sales Assumptions

138

Run

264

266

Likelihood of Success

Discovery

100.0

Validation

75.0

Preclinical

100.0

IND Filed

40.0

Phase I

100.0

Phase II

70.0

Phase III

80.0

NDA Filing

90.0

268

Rate

10.0

Iterations

10000

Current

Preclinical

Dev

Stage

Run

Graph

270

Mean (\$M)

Median (\$M)

Success (%)

Unpartnered NPV

45,365

-13,990

13,650

R&D Company

19,935

-1,740

40,940

Client Company

25,430

-12,251

12,150

FIG. 14

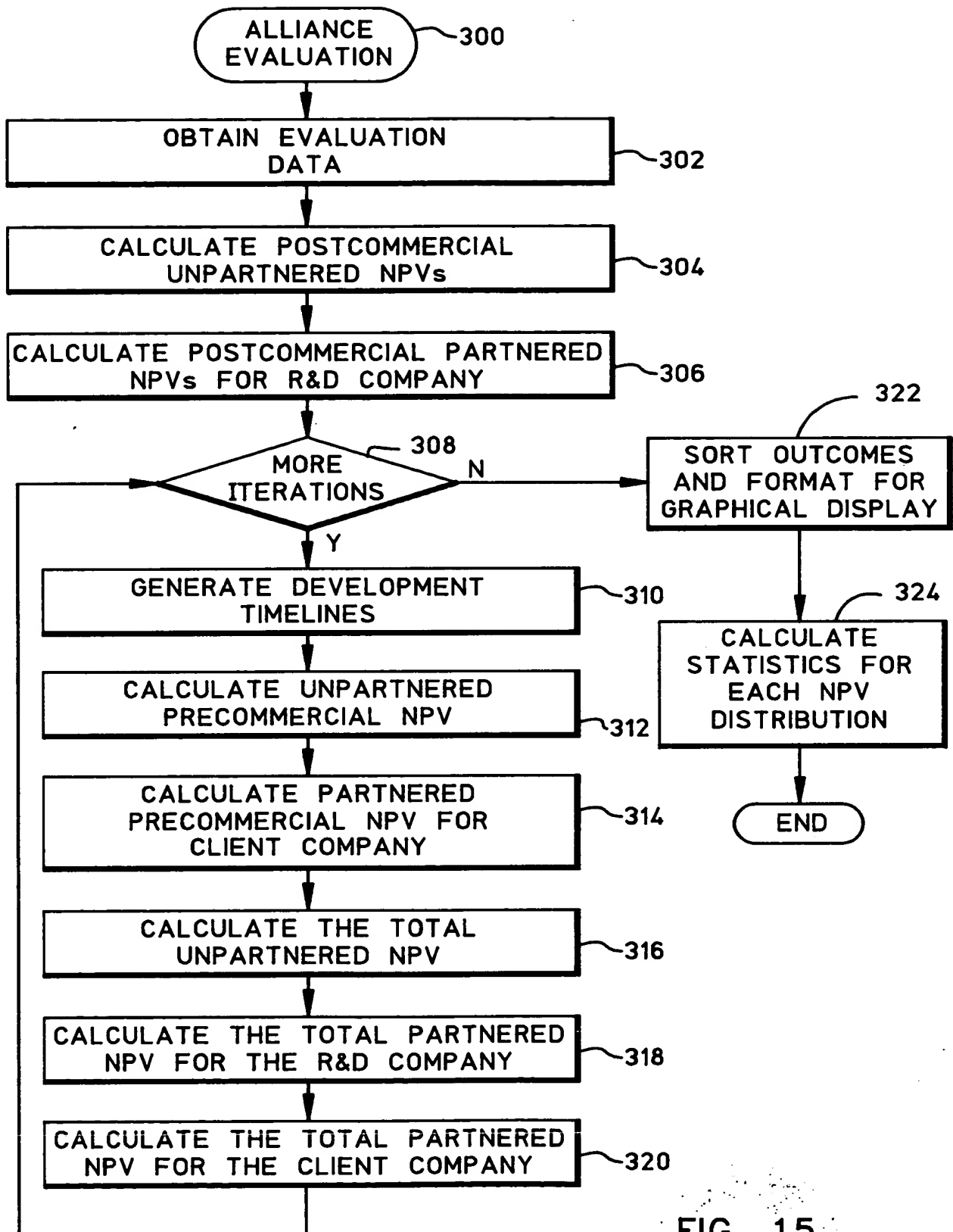


FIG. 15

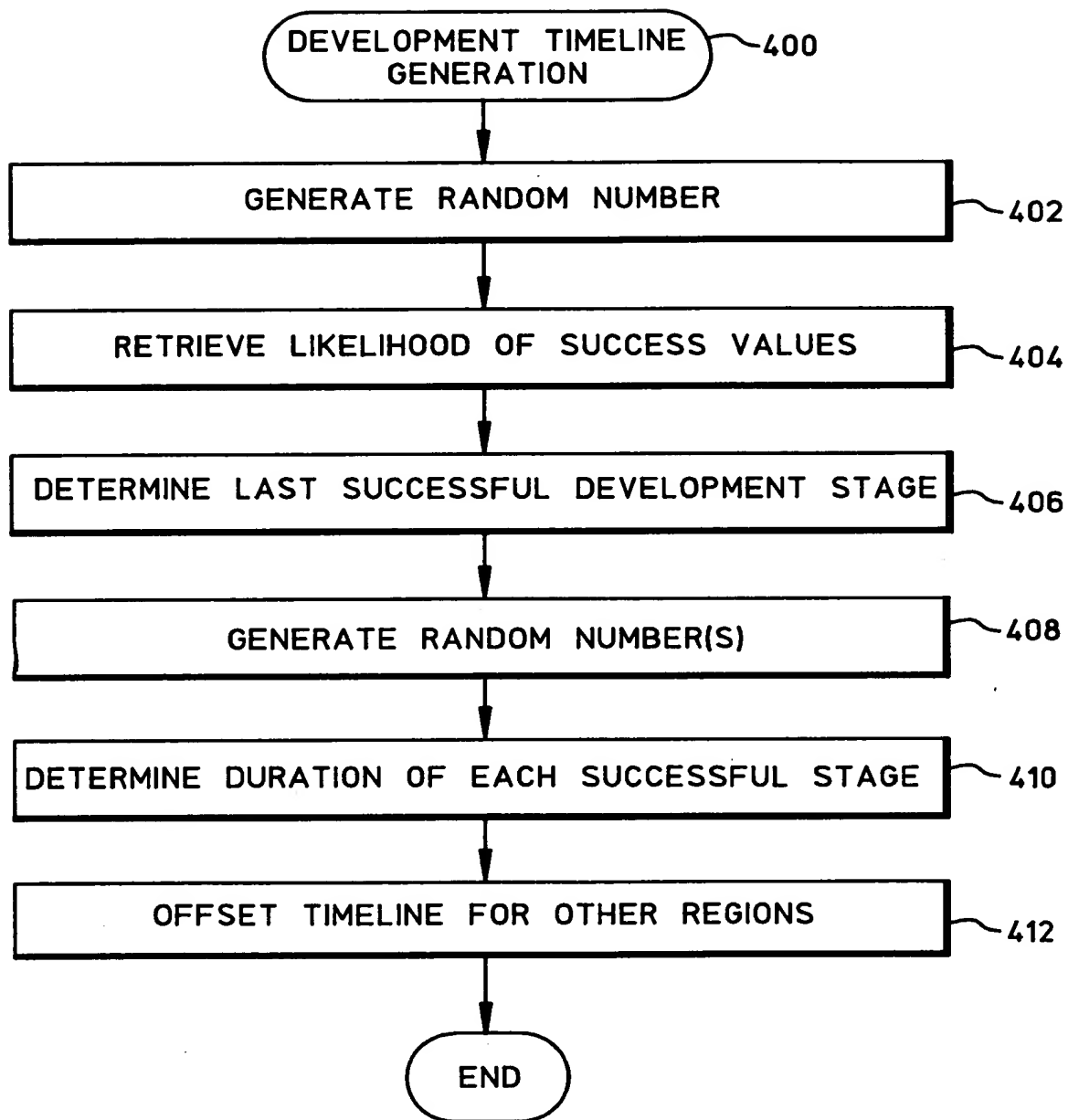


FIG. 16

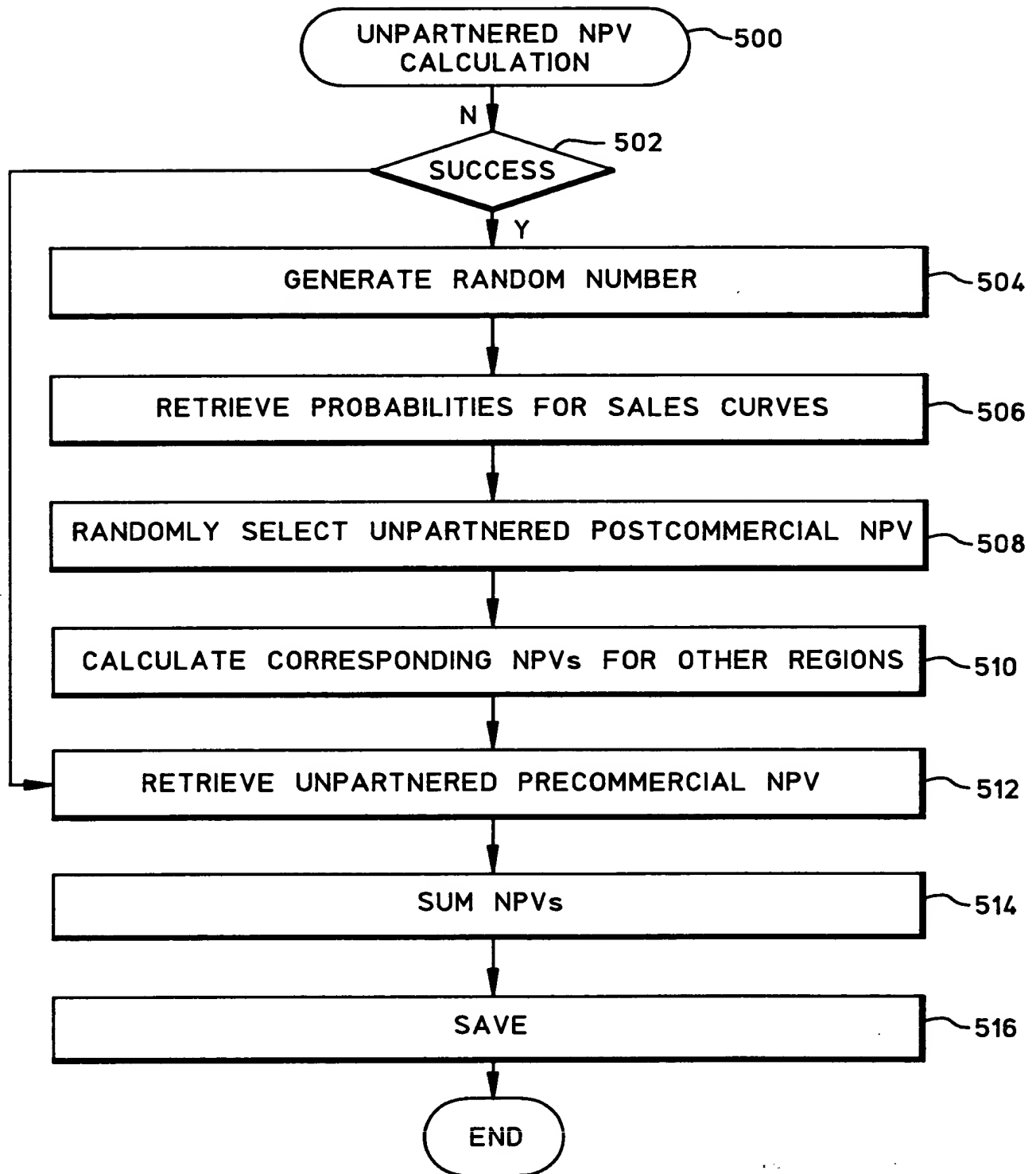


FIG. 17

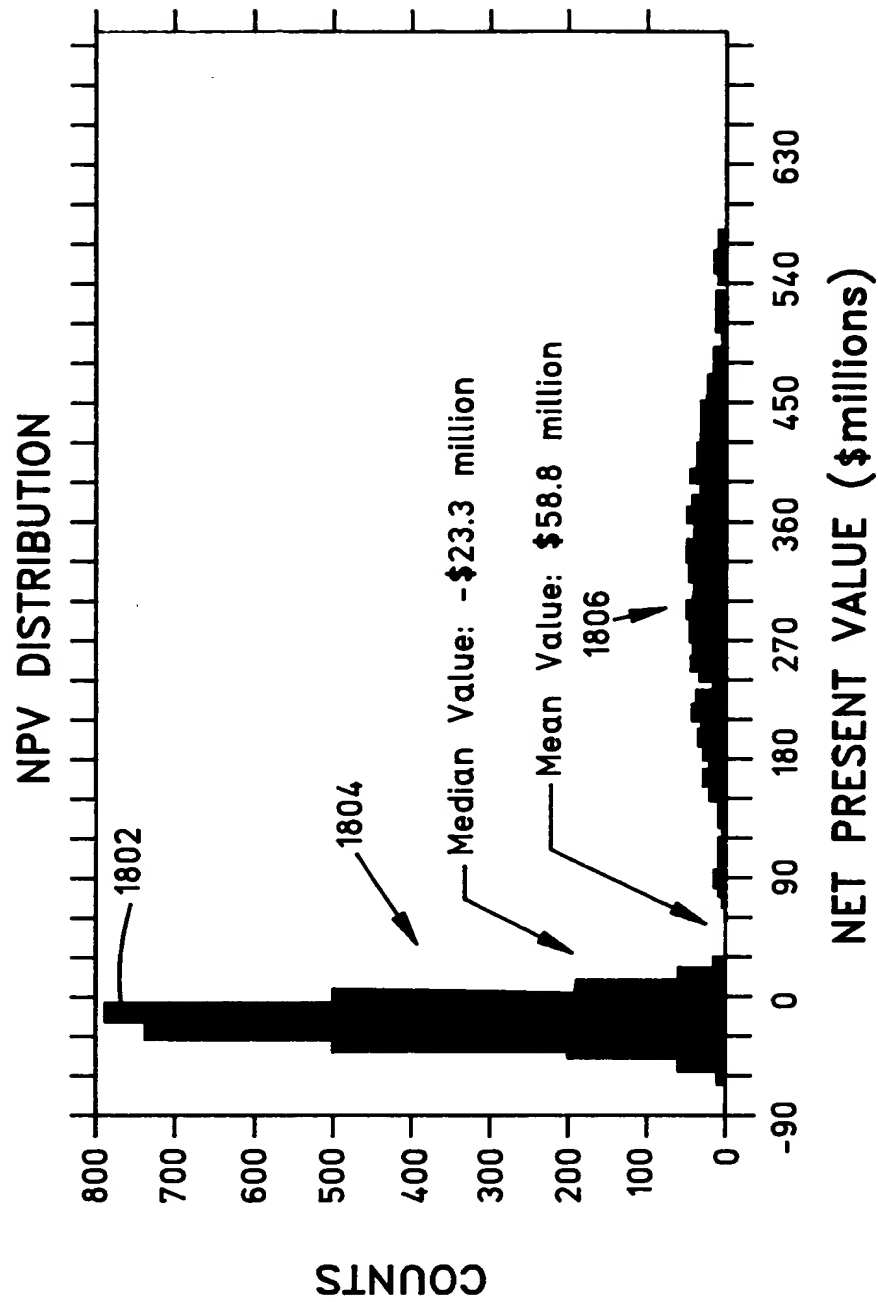


FIG. 18

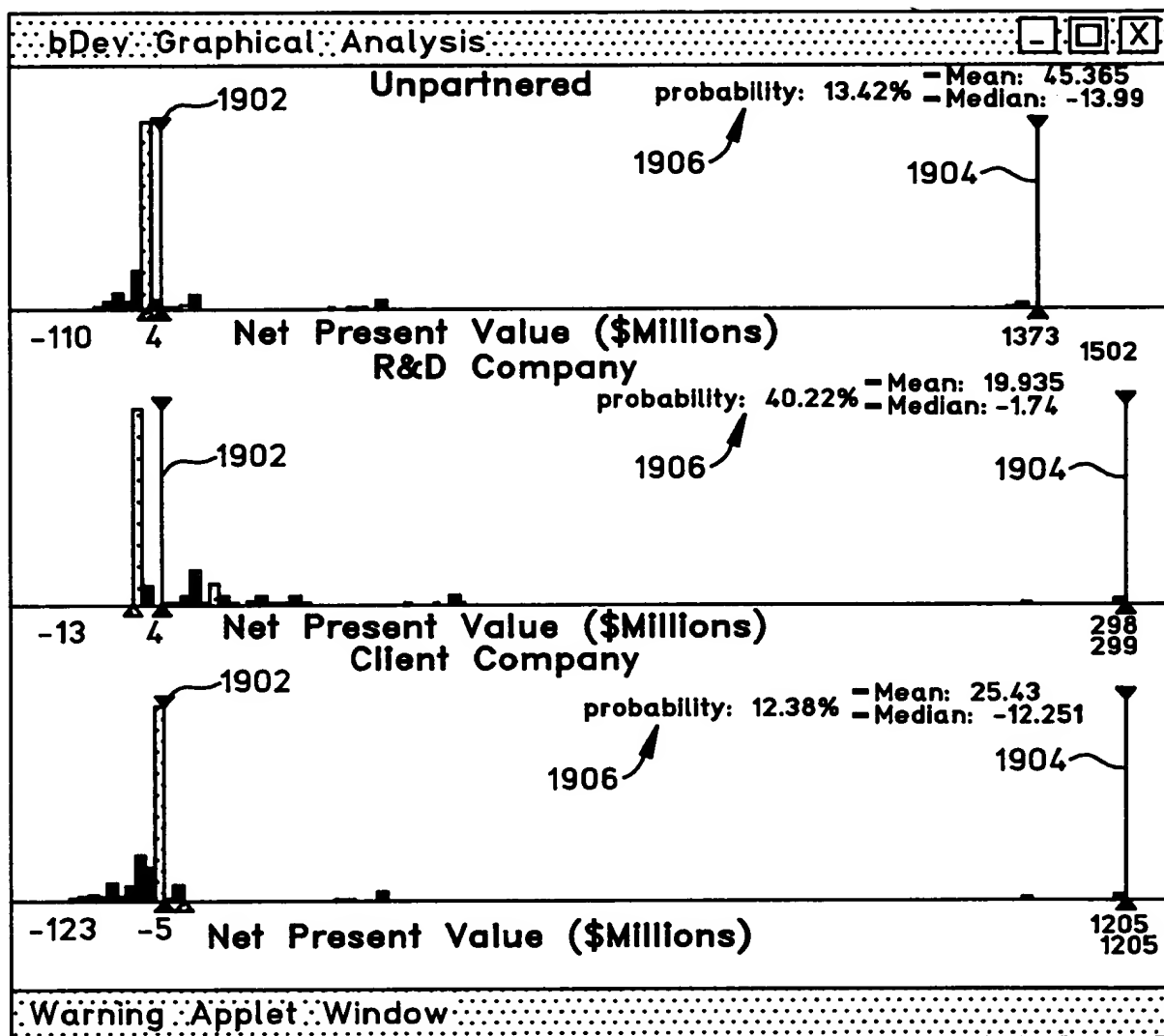


FIG. 19

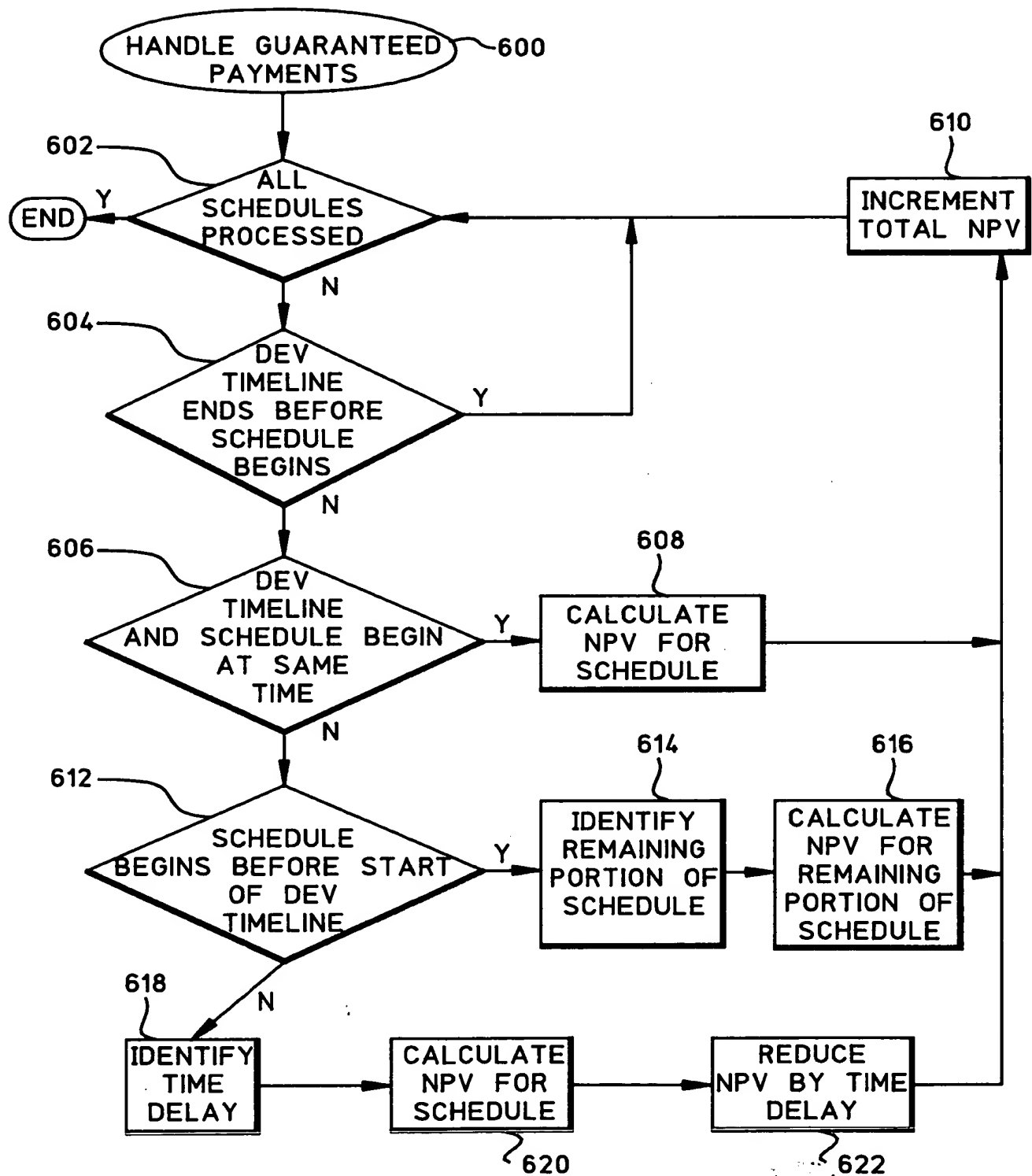


FIG. 20

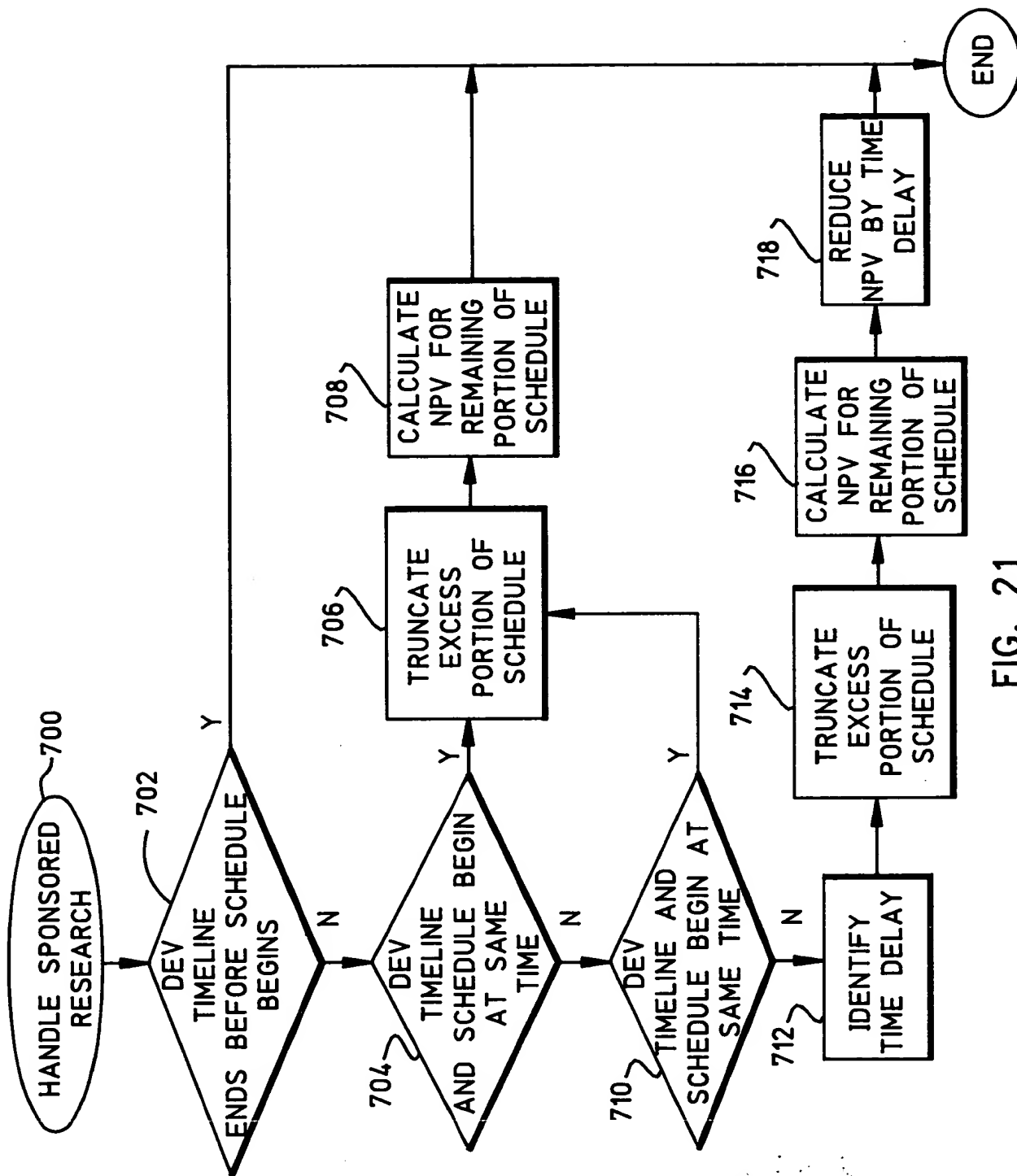


FIG. 21

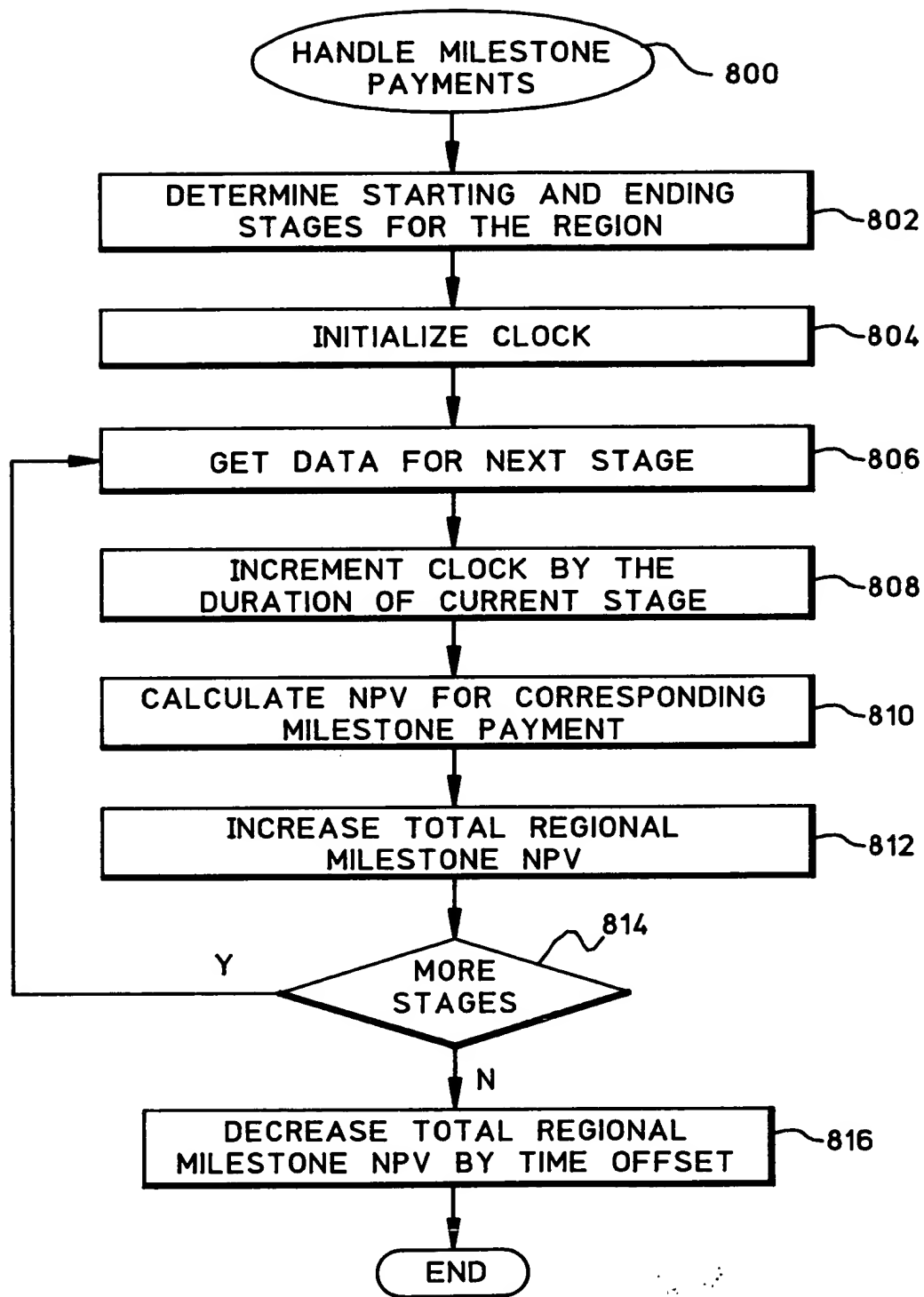


FIG. 22

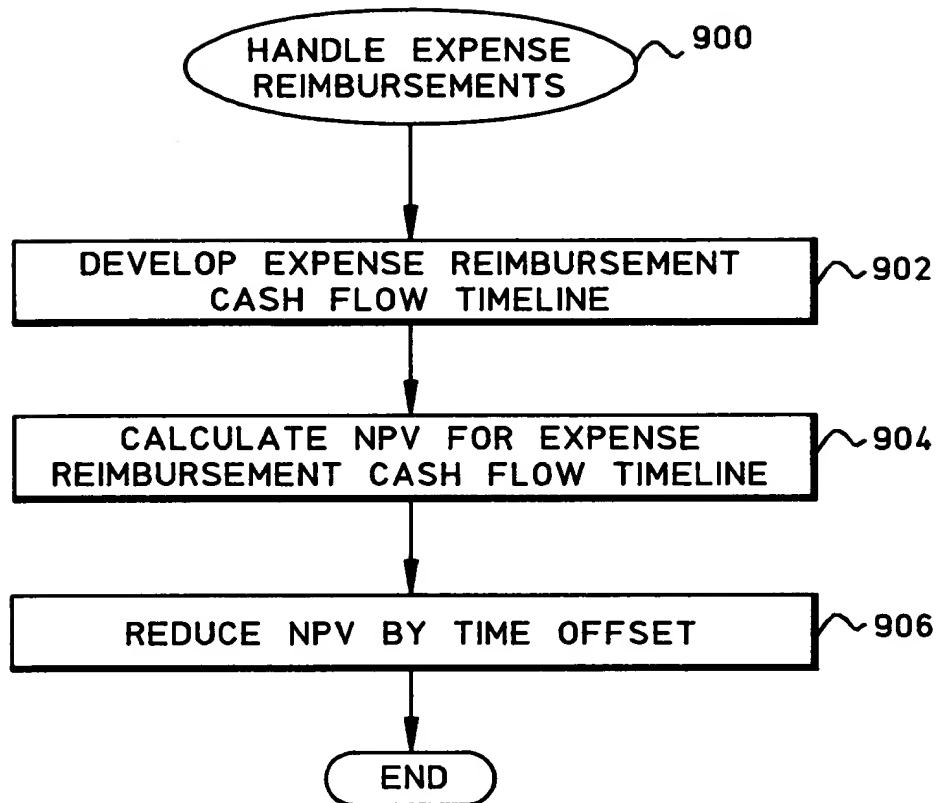


FIG. 23

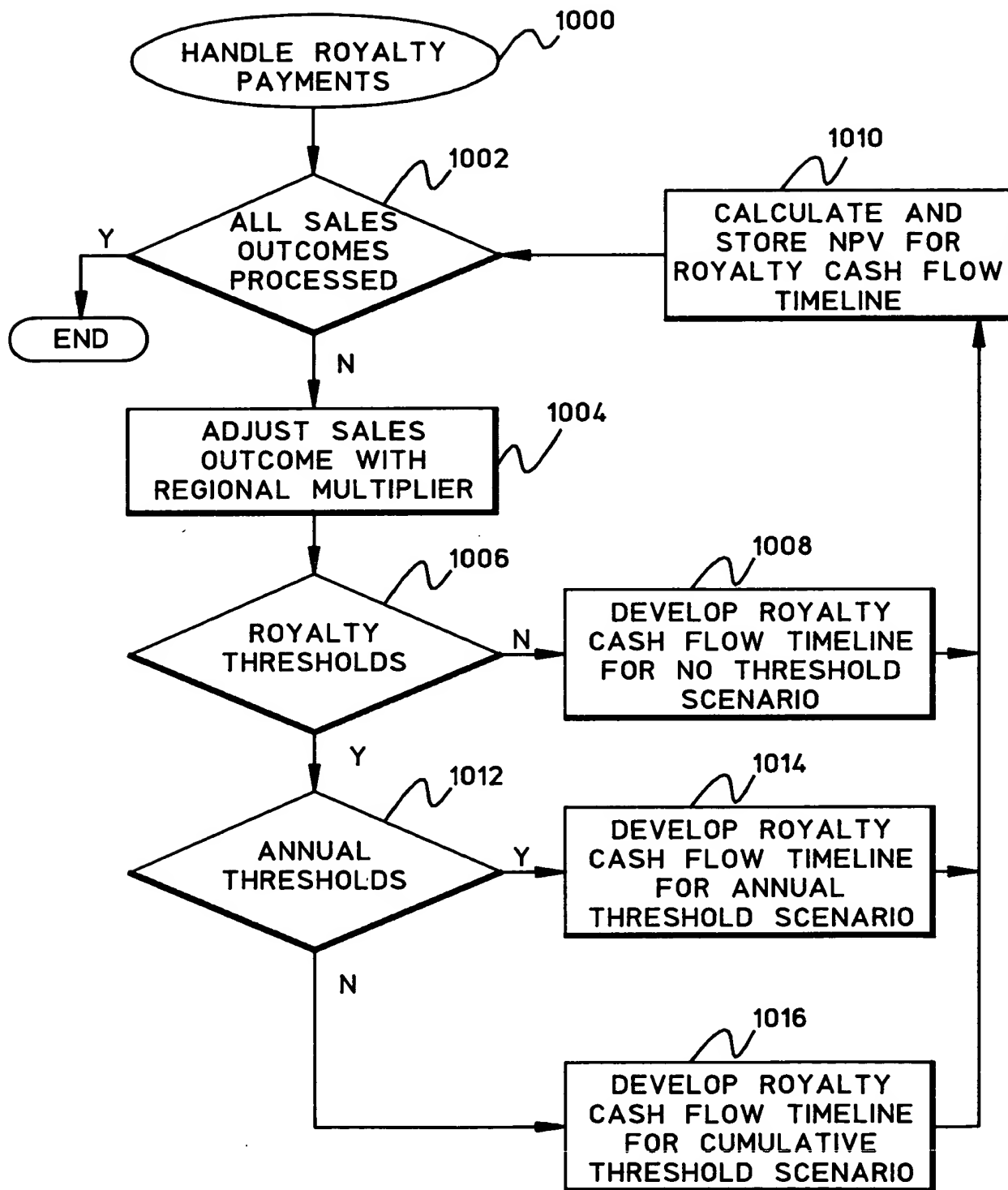


FIG. 24

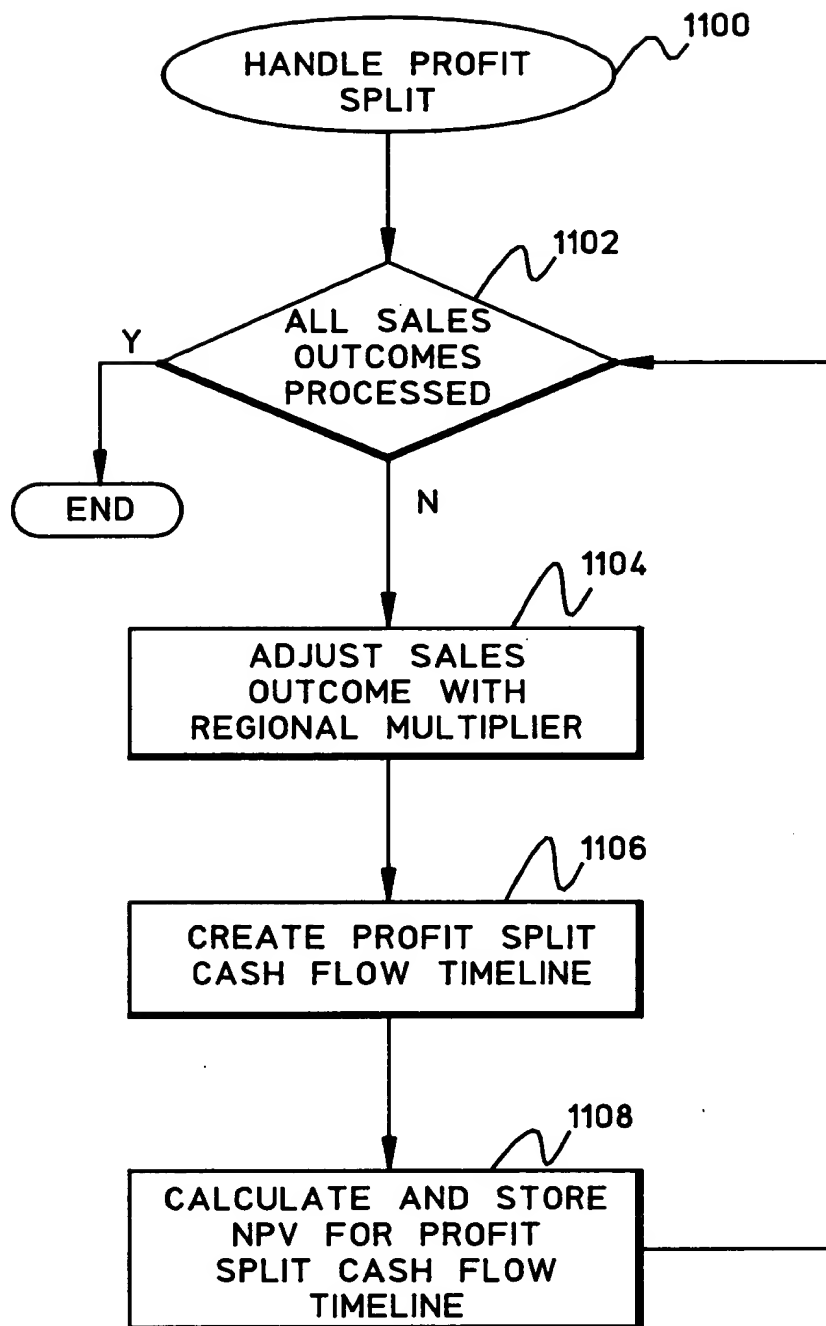


FIG. 25

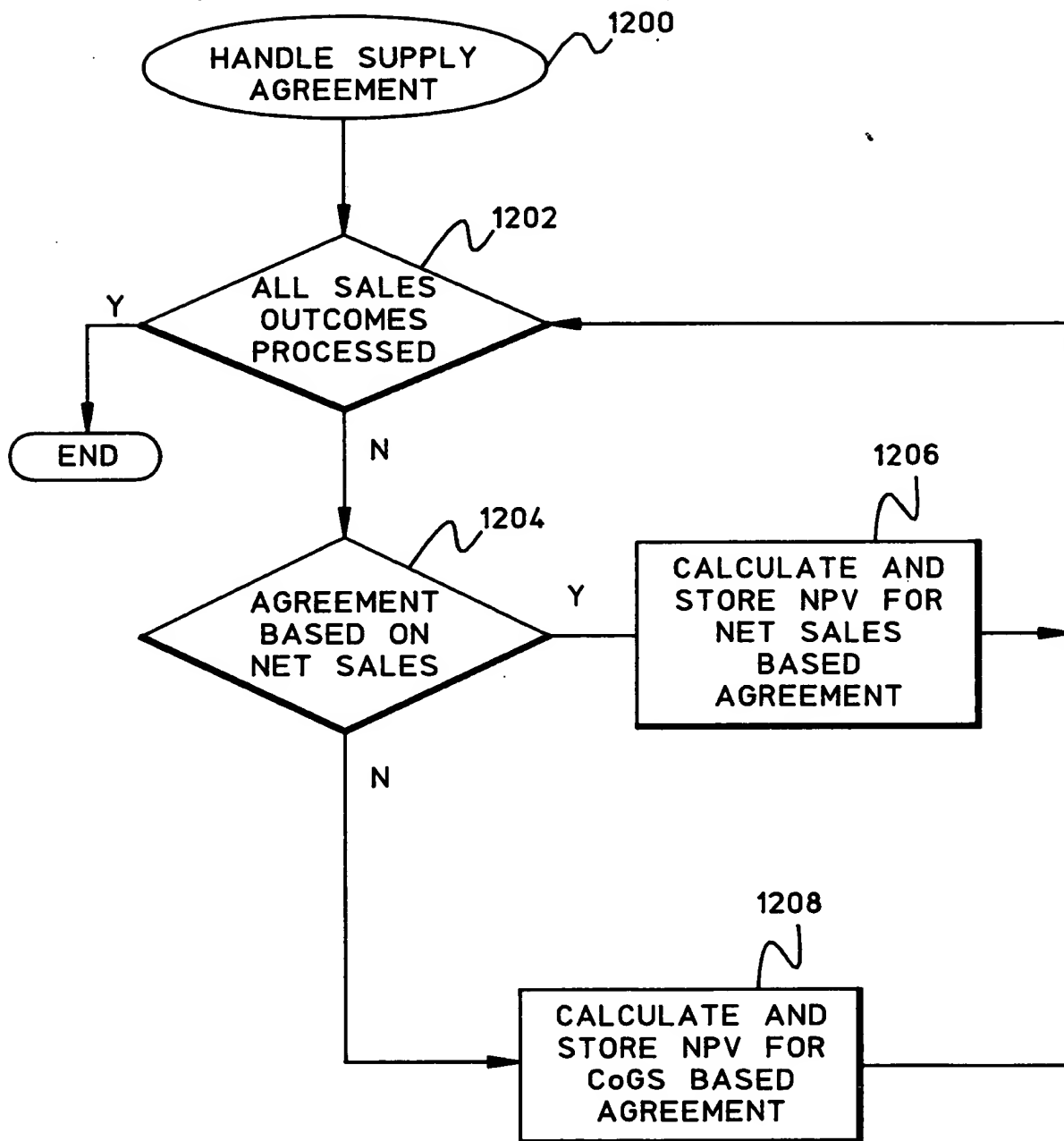


FIG. 26